

Message Text

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TO HICOMTERPACIS SAIPAN MARIANA ISLANDS

UNCLAS STATE 069331

E.O. 11652:

TAGS:PGOV, TQ

SUBJECT: QUESTIONS FROM OVERSIGHT HEARINGS

DOA 107-TT

LIST OF QUESTIONS FROM SENATE OVERSIGHT HEARINGS FOLLOWS. SUGGEST IMMEDIATE WIDE DISTRIBUTION TO APPROPRIATE DEPARTMENT HEADS, ALL DISTADS, AND COM. RECOMMEND EXECUTIVE OFFICER JOHN SABLAN ACT AS COORDINATOR OF INITIAL EFFORT UNTIL EVERYONE RETURNS FROM D.C. FIRST READING INDICATES CONSIDERABLE WORK EFFORT REQUIRED, BUT DEPARTMENT HAS INFORMED COMMITTEE THAT RESPONSE WILL BE MAILED WITHIN ONE MONTH, SO FIRST PRIORITY MUST BE GIVEN TO DEVELOPING RESPONSES TO THESE QUESTIONS.

OVERALL POLICY

1. THE COMMITTEE STAFF REPORT OBSERVES THAT SOME STANDARDS FOR FEDERAL PROGRAMS SUCH AS HOUSING AND POLLUTION CONTROL APPEAR TO BE COUNTER PRODUCTIVE WHEN THEY ARE EXTENDED TO MICRONESIA. COULD YOU PROVIDE THE COMMITTEE WITH YOUR VIEWS ON THIS MATTER AND A LIST OF SUCH PROVISIONS SO THAT SOME FORM OF RELIEF FOR EXEMPTIONS COULD BE EXPLORED?

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EE WITH YOUR VIEWS ON THIS MATTER AND A LIST OF SUCH PROVISIONS SO THAT SOME FORM OF RELIEF FOR EXEMPTIONS COULD BE EXPLORED?

2. AT PRESENT, ALTHOUGH THE FAA HAS AUTHORITY OVER AIR MICRONESIA AND APPROVAL OVER THE DESIGN AND CONSTRUCTION OF AIRPORTS BUILT WITH FAA FINANCIAL ASSISTANCE, IT HAS NO AUTHORITY OVER THE OPERATION AND MAINTENANCE OF THE AIRPORTS. DESPITE AIR MICRONESIA'S SPOTLESS SAFETY RECORD, THE STAFF OBSERVED INSTANCES OF FUEL CONTAMINATION AND HAZARDOUS RUNWAY CONDITIONS AT VARIOUS AIRSTRIPS IN MICRONESIA. DO YOU BELIEVE SOME FORM OF FAA CONTROL SHOULD BE EXTENDED TO AIRPORT OPERATIONS IN EXPECTATION OF INCREASED FUTURE AIR TRAFFIC?

3. THERE HAS BEEN A HISTORY OF PROBLEMS REGARDING SEA TRANSPORTATION FOR THE TRUST TERRITORY. THE PRESENT FLEET OF SURPLUS SHIPS IS OBSOLETE OPERATING ON LONG HAUL AND INTER-ISLAND SERVICE ALONG WITH SOME EXCEPTIONALLY BAD "FIELD TRIP" SHIPS SERVING OUTER ISLANDS. WOULD YOU GIVE US YOUR VIEWS CONCERNING THE SEA TRANSPORT SYSTEM YOU BELIEVE WE SHOULD WORK TO ACHIEVE IN THE TERRITORY? IS THERE ANY EXPECTATION THAT SUCH A SYSTEM WOULD BE FINANCIALLY SELF-SUFFICIENT?

4. WHAT STUDIES HAVE BEEN PERFORMED TO DETERMINE THE POTENTIAL OF COMMERCIAL FISHING AND AGRICULTURE IN MICRONESIA PRIOR TO FUNDING THE CONSTRUCTION OF THE NECESSARY INFRASTRUCTURE TO SUPPORT SUCH INDUSTRIES?

PLANNING

1. DO THE DISTRICT ADMINISTRATORS BELIEVE THAT THEY HAVE ADEQUATE MASTER PLANS FOR DEVELOPMENT OF THEIR DISTRICTS? FOR EXAMPLE: IF ADDITIONAL FUNDS WERE AVAILABLE WOULD THEY BE ABLE TO IDENTIFY THE MOST IMPORTANT WORK TO BE DONE?

2. IN GENERAL, ARE THERE ANY RELIABLE TIME SCHEDULES OR COST ESTIMATES FOR THE PLANS THAT DO EXIST?
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3. DOESN'T THE CHRONIC REPROGRAMMING OF FUNDS REFLECT UNCERTAINTY ABOUT PROGRAM PRIORITIES EVEN IN THE SHORT TERM OF THE NEXT FISCAL YEAR?

4. WHAT EXACTLY ARE THE LONG-TERM OBJECTIVES FOR DEVELOPMENT OF THE INHABITED OUTER ISLANDS?

5. ON PAGES 20 AND 21 THE JOINT STATEMENT PRESENTS THE PROJECT FUNDING LEVELS FOR CAPITAL IMPROVEMENTS THROUGH FY 1980. WOULD YOU PROVIDE THE COMMITTEE WITH A LIST OF THE MAJOR PROJECTS WHICH ARE INCLUDED IN THAT FUNDING SCHEDULE?

6. THE JOINT STATEMENT ON PAGE 7 IMPLIES THAT REPROGRAMMING OF FUNDS BY THE TRUST TERRITORY GOVERNMENT IS DONE ONLY AFTER A JUSTIFICATION IS MADE AND APPROVED BY THE INTERIOR DEPARTMENT. DID THE DEPARTMENT APPROVE THE DIVERSION OF FUNDS TO THE "PORT NIXON" DEVELOPMENT AT PELELIU?

7. WHERE DID THE FUNDS TO SUPPORT THE TAKEOVER OF TRANSPAC COME FROM?

8. BY LETTER OF JULY 9, 1974, YOU NOTIFIED MRS. HANSEN, CHAIRLADY OF THE HOUSE APPROPRIATION SUBCOMMITTEE, OF EXPENDITURES MADE IN CONNECTION WITH THE TRANS FAS SITUA-

TION. THE ORDER TO DISSOLVE TRANSPAC WAS ISSUED IN FEBRUARY. IT IS CUSTOMARY TO NOTIFY THE CONGRESS OF SUCH EXPENDITURES AFTER THE FACT?

9. THE COMPTROLLER FOR GUAM IN HIS FEBRUARY 1975 REPORT HAS DETERMINED THAT THE TRUST TERRITORY HAS SPENT APPROXIMATELY \$2 MILLION DOLLARS MORE THAN WAS APPROPRIATED FOR GENERAL FUND PURPOSES IN 1974. WHERE DID THESE FUNDS TO SUPPORT DEFICIT EXPENDITURES COME FROM?

10. ARE YOU AUTHORIZED TO EXPEND AT A RATE THAT RESULTS IN A FY DEFICIT? IS THE COMPTROLLER FOR GUAM ADEQUATELY STAFFED AND FUNDED TO PERFORM THE AUDIT FUNCTION FOR THE UNCLASSIFIED

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TRUST TERRITORY WHICH IS PROPOSED ON PAGE 52 OF THE JOINT STATEMENT?

5. HAS A COMPREHENSIVE ASSESSMENT OF THE CONDITION AND DEFICIENCIES OF THE EXISTING INFRASTRUCTURE IN MICRONESIA EVER BEEN CARRIED OUT?

6. WOULD SUCH AN ASSESSMENT AND INVENTORY OF PUBLIC WORKS FACILITIES PROVIDE A USEFUL BASELINE FOR FUTURE PLANNING/D?

7. IN THE JOINT STATEMENT ON PAGE 8, REFERENCE IS MADE TO 20 YEAR MASTER PLANS. DO SUCH PLANS ACTUALLY EXIST IN DOCUMENT FORM FOR EACH DISTRICT AND CAN YOU SUPPLY THEM TO THE COMMITTEE? (NOTE: MICRO-FICHE HAS BEEN SUPPLIED BY CHAMBERLAIN AND COPIES OF DATA ARE BEING SUPPLIED TO THE COMMITTEE).

8. IF LARGER APPROPRIATIONS LEVELS WERE PROVIDED, WOULD IT BE POSSIBLE TO COMPLETE CAPITAL IMPROVEMENTS MORE EFFECTIVELY AND MORE ECONOMICALLY IN THE LONG RUN?

9. IF SO, WHAT LEVEL OF APPROPRIATIONS COULD BE ADMIN-

ISTERED BY THE TRUST TERRITORY GOVERNMENT IN A SINGLE
FISCAL YEAR?

10. THE COMMITTEE STAFF HAS SUGGESTED THAT IF SEVERAL

SMALL JOBS IN A DISTRICT WERE COMBINED IN A LARGE
CONTRACT, THE QUALITY OF CONTRACTOR PERFORMANCE AND
CONTRACT ADMINISTRATION MIGHT BE IMPROVED. WHAT IS
THE TTG'S OPINION?

FUNDING

1. ON PAGE 8, THE JOINT STATEMENT INDICATES THAT CURRENT
BUDGET LEVELS ARE KEYED TO "SUPPORT LEVELS FOR THE
TRANSITION PERIOD TO THE ANTICIPATED END OF THE TRUSTEE-
SHIP." WHO ESTABLISHED THESE LEVELS? WHAT ASSUMPTIONS
ARE THEY BASED UPON?

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2. IS THE LEVEL OF EFFORT ADEQUATE TO ACHIEVE THE GOALS
THE TTG BELIEVES WE SHOULD AIM FOR?

3. WHAT LEVEL OF FUNDING AND TIME PERIOD DO YOU BELIEVE
WOULD BE NECESSARY TO COMPLETE THIS PROGRAM?

4. CAN YOU PROVIDE A HISTORY OF THE TTG'S ANNUAL FUND
REQUESTS FOR THE PAST TEN FISCAL YEARS, THE AMOUNTS
APPROPRIATED BY THE CONGRESS, AND THE AMOUNTS ACTUALLY
EXPENDED?

CONSTRUCTION CONTRACTING PROCEDURES

1. T E JOINT STATEMENT NOTES ON PAGE 13 THAT NOT ALL
FEDERAL PROCUREMENT REGULATIONS ARE ADHERED TO. WHICH
SPECIFIC REGULATIONS ARE NOT FOLLOWED, HAT IS T;E
JUSTIFICATION AND WICH PROJECTS WHERE EFFECTED?

2. ARE THERE ANY GUIDELINES ON WHICH PROJECTS GO TO
MICRONESIAN COMPANIES, U.S. OR THIRD COUNTRY NATIONAL
FIRMS?

3. W AT ITERIA IS USED TO DETERMINE WHICH CONSTRUCT-
ION CONTRACTS SHALL BE ADMINISTERED BY THE PUBLIC WORKS
DEPARTMENT, THE NAVY'S OFFICER IN CHARGE OF CONSTRUCTION
(O.I.C.C.), THE ARMY'S CORPS OF ENGINEERS (CORPS) OR
DISTADS?

4. DOES T'E DE,ARTMENT OF PUBLIC WORKS EVALUATE CON-
STRUCTION CONTRACTORS PRIOR TO THE AWARD OF A TTPI
ADMINISTERED CONTRACT?

5. WHO DOES THE ACTUAL EVALUATING OF CONSTRUCTION CONTRACTORS?

6. WHAT EVALUATION PROCEDURES ARE USED PRIOR TO THE AWARD OF A CONSTRUCTION CONTRACT? DOES THE TTPI JUST TAKE THE LOWEST BIDDER ON A CONTRACT?

7. WHAT CONSIDERATION IS GIVEN TO THE OWNERSHIP OF THE COMPANY, EQUIPMENT, FINANCING, PERSONNEL EXPERIENCE, AND UNCLASSIFIED

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PAST PERFORMANCE OF CONSTRUCTION CONTRACTORS?

8. ARE SUB-CONTRACTORS EVALUATED?

9. ,AS A CONTRACTOR EVER BEEN REJECTED FOR A TTPI CONTRACT EVEN THOUGH THE CONTRACTOR WAS A LOW BIDDER?

10. WHAT WAS THE REASON FOR THE REJECTION?

11. WHO DOES THE INSPECTING ON PROJECTS UNDER CONSTRUCTION?

12. WHAT AUTHORITY DO INSPECTORS HAVE OVER CONTRACTORS? CAN THEY DIRECT THE CONTRACTOR OR DO THEY ONLY REPORT PROBLEMS TO THE CONTRACT ADMINISTRATORS?

13. WHAT METHOD OF REPORTING IS USED BY INSPECTOR ?

14. ,HOW MANY INSPECTORS DO YOU HAVE IN THE TTPI? IN GENERAL, WHAT ARE THEIR QUALIFICATIONS? WHAT IS THEIR RELATIONSHIP TO THE DISTRICT ADMINISTRATORS?

15. WHAT ACTION IS TAKEN BY THE TTPI WHEN AN INSPECTOR REPORTS PROBLEMS?

16. WHAT METHOD OF PAYMENT IS USED ON TTPI CONSTRUCTION CONTRACTS? DO YOU PAY CONTRACTORS BASED ON BILLS OR INSPECTION REPORTS?

17. WHO APPROVES PAYMENTS?

18. IS THERE ANY TYPE OF VERIFICATION MADE BEFORE APPROVAL OF A PAYMENT?

19. HOW MUCH OF THE CONTRACT AMOUNT IS WITHHELD AS FINAL PAYMENT TO INSURE COMPLETION OF THE PROJECT?

20. WHO MAKES THE FINAL PROJECT INSPECTION AND APPROVAL?

21. WHAT PROCEDURE ARE USED IN MAKING THE FINAL INSPECTION AND APPROVAL?

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22. THE JOINT STATEMENT ON PAGE 15 NOTES THE CONCERN FOR THE ECOLOGICAL IMPACT OF PROJECTS. DID THE HIGH COMMISSIONER OVERRULE THE CONGRESS OF THE MARIANAS BY ALLOWING THE BUILDING OF 2 HOTELS ABOVE 5 STORIES ON MICRO BEACH OR SAIPAN?

23. ON PAGE 16 OF THE JOINT STATEMENT THE ATTORNEY GENERAL HAS INDICATED HIS INTENTION TO STRENGTHEN HIS OFFICE FOR EXPERT HELP ON CONTRACTS. IN 1970 THE NEED FOR THIS WAS POINTED OUT IN THE AMELCO CONTRACT. WHEN WILL STEPS ACTUALLY BE TAKEN?

24. AS NOTED IN THE JOINT STATEMENT, (PAGE 16) KOREAN CONTRACTORS HAVE BEEN SUCCESSFUL BIDDERS FOR TRUST TERRITORY CONTRACTS IN RECENT YEARS BECAUSE THEY ARE SUPPORTED BY THE KOREAN GOVERNMENT. DOESN'T THE NEED TO NEGOTIATE WITH THE KOREAN GOVERNMENT OVER CONTRACTOR PERFORMANCE MAKE CONTRACT ADMINISTRATION AN UNCERTAIN AND UNBUSINESS-LIKE PROCESS?

AMELCO CONTRACTS

1. WHAT IS THE TOTAL COST OF CONTRACT CHANGES ATTRIBUTABLE TO AMELCO CONTRACTS AWARDED TO OHLACK MICRO?

2. HAVE ALL THE DEFICIENCIES OF AMELCO BEEN UNCOVERED BY SUBSEQUENT CONTRACTORS OR IS THERE A POTENTIAL FOR MORE DISCOVERIES?

3. IN APPENDIX 5 OF THE JOINT STATEMENT, ONE OF THE DIFFICULTIES OF THE AMELCO CONTRACT WAS THAT INSPECTORS WERE UNSYMPATHETIC TO THE NEED FOR DEVIATIONS FROM THE ORIGINAL DESIGN SPECIFICATIONS. ISN'T SYMPATHY THE RESPONSIBILITY OF THE CONTRACT ADMINISTRATORS?

4. IS IT AN INSPECTOR RESPONSIBLE FOR STOPPING OR BRINGING TO THE ATTENTION OF HIS SUPERVISORS THAT THE CONTRACTS SPECIFICATIONS ARE NOT BEING MET?

AJU CONSTRUCTION COMPANY, LTD.

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1. WAS AN EVALUATION OF THE AJU CONSTRUCTION COMPANY MADE PRIOR TO THE AWARD OF THE KOROR-BABELTHAUP BRIDGE CONTRACT?

2. WHO MADE THE EVALUATION AND WHAT WAS THE RESULT--WAS

AJU RATED GOOD, POOR, SATISFACTORY?

3. WERE OTHERS CONTACTED WITH RESPECT TO AJU'S PERFORMANCE -- O.I.C.C., CORPS OF ENGINEERS, DISTAD, CONTRACTOR ?

4. WHO MADE THE DECISION TO AWARD THE CONTRACT TO AJU?

5. WHY WASN'T THE O.I.C.C. USED AS CONTRACT ADMINISTRATOR SINCE THEY HAVE ADMINISTERED OTHER AJU CONTRACTS IN TTPI?

6. IN A LETTER FROM ZURN ENGINEERS (STAFF REPORT P.158) REFERENCE IS MADE TO A DISCUSSION ABOUT AJU. WHAT WAS DISCUSSED?

7. DID ZURN ENGINEERS ADVISE THE PWD THAT AJU WAS IN QUESTIONABLE FINANCIAL CONDITION.

8. WAS A FOLLOWUP ON THIS DISCLOSURE THAT AJU WAS HAVING FINANCIAL DIFFICULTIES MADE PRIOR TO THE AWARD OF THE CONTRACT?

9. THE CONTRACT WAS INITIALLY AWARDED TO AJU ON JANUARY 4, 1974; ZURN ENGINEERS WARNED TTPI OFFICIALS AJU'S FINANCIAL CONDITION SEVERAL TIMES, SUBSEQUENTLY A CONTRACT WAS SIGNED WITH AJU ON FEBRUARY 4, 1974. COULD TTPI HAVE REFUSED TO SIGN CONTRACT IN FEBRUARY PENDING THE INVESTIGATION WHICH WAS EVENTUALLY PERFORMED?

10. IN AN ARTICLE IN HIGHLIGHTS DATED 2/1/75 (STAFF REPORT P. 153) NOTED FOUR ACTS AND OMISSIONS THAT CONSTITUTED A DEFAULT. ONE WAS THE CONTRACTOR WHO DID NOT FURNISH

PROOF OF FINANCIAL CAPABILITY. WHAT WAS THE FINANCIAL PROOF REQUESTED?

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11. WHY WASN'T THIS INFORMATION CONSIDERED PRIOR TO THE AWARD OF THE CONTRACT TO AJU?

12. THE ARTICLE NOTES THE FAILURE OF AJU TO SUBMIT ADDITIONAL INFORMATION REQUESTED. WHAT ADDITIONAL INFORMATION WAS REQUESTED?

13. SHOULDN'T THIS INFORMATION BE CONSIDERED PRIOR TO THE AWARD FOR A CONTRACT?

14. WHY DID YOU FIND AJU IN DEFAULT AND PULL THE PERFORMANCE BOND AS OPPOSED TO CANCELLING THE CONTRACT AT THE CONVENIENCE OF THE GOVERNMENT AS WAS DONE WITH THE HANIL CONTRACT FOR THE EBEYE SEWERAGE TREATMENT PLANT?

HANIL DEVELOPMENT COMPANY, LD.

HANIL DEVELOPMENT COMPANY, LTD

1. THE COMMITTEE WOULD LIKE THE TTG TO EVALUATE AND SUBMIT THEIR OPINION OF HANIL DEVELOPMENT COMPANY'S TESTIMONY.
2. WHAT IS THE EVALUATION OF HANIL AT THIS TIME -- GOOD, BAD, SATISFACTORY WORK, POOR PERFORMER?
3. WHO MADE THIS EVALUATION -- THE TTPI, THE PUBLIC WORKS DEPARTMENT (PWO), HIGH COMMISSIONER, O.I.C.C., THE CORPS, OR DISTADS?
4. WHAT PRIORITIES ARE PLACED ON THE VARIOUS ELEMENTS OF HANIL'S EVALUATION -- WHAT IS IMPORTANT: PERFORMANCE, QUALITY OF WORK, FINANCIAL BACKING, RELATIONS WITH DISTRICT PEOPLE, TIMELY COMPLETION OF PROJECTS?
5. WHO DETERMINED THESE PRIORITIES THE PWD OF TTPI, HIGH COMMISSIONER, O.I.C.C., THE CORPS, OR DISTADS?
6. AS NOTED IN APPENDIX 6 OF THE JOINT STATEMENT, PREFERENCE WAS GIVEN TO CONTRACTORS WHO WERE MOBILIZED ON THE ISLANDS. WHY CAN THIS BE A VALID CONSIDERATION FOR ACCEPTING A HANIL'S FAILURE TO MOBILIZE SUFFICIENT MEN

AND EQUIPMENT IN MICRONESIA (PP. 63,66,133,125,137,140, 147)? - -- -- ',140,

7. WHAT IS THE VALUE OF ALL THE CONTRACTS AWARDED TO HANIL?
 8. HOW MANY OF HANIL'S PROJECTS ARE COMPLETED?
 9. HOW MANY OF HANIL'S CONTRACTS ARE BEHIND SCHEDULE?
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10. IS REFUSAL TO AWARD FURTHER CONTRACTS EFFECTIVE IN GETTING PERFORMANCE FROM A CONTRACTOR AS NOTED IN THE O.I.C.C. LETTER OF 10/3/73? (STAFF REPORTS P. 133).
11. WHAT METHOD IS USED TO FORCE PERFORMANCE FROM HANIL?
12. WHAT PROJECTS WERE AWARDED TO HANIL WHICH PROVE TO BE DISCONCERTING TO O.I.C.C.?
13. WHO IS ADMINISTERING THESE PROJECTS?
14. WAS HANIL'S PAST PERFORMANCE CONSIDERED UNIMPORTANT IN THE AWARD OF THESE CONTRACTS?
15. WHAT PROMPTED THE CANCELLATION OF HANIL'S CONTRACT FOR THE EBEYE SEWERAGE TREATMENT PLANT? WAS IT DESIGN PROBLEMS? CONTRACTOR PERFORMANCE? QUALITY OF WORKMANSHIP? TEST CASE TO FORCE PERFORMANCE FROM HANIL?

,6. WHO MADE THE DETERMINATION TO CANCEL THE CONTRACT WITH HANIL -- CORPS, HIGH COMMISSIONER, THE ENVIRONMENTAL PROTECTION AGENCY (EPA)?

17. SINCE EPA WAS FUNDING THE PROJECT, WHAT WERE THEIR OPINIONS ON THE DECISION TO CANCEL THE CONTRACT?
18. SINCE THE CORPS OF ENGINEERS IS ADMINISTERING THE CONTRACT, WHAT WERE THEIR OPINIONS ON THE DECISION TO CANCEL THE CONTRACT?
19. WHAT WAS THE PURPOSE OF CANCELLING THE CONTRACT AT THE

CONVENIENCE OF THE GOVERNMENT?

20. WAS THE EBEYE SEWERAGE TREATMENT PLANT CONTRACT BONDED?

21. WHY WASN'T THE BOND PULLED FOR LACK OF PERFORMANCE ON THE PART OF HANIL?

22. WHAT IS THE SETTLEMENT COST WITH HANIL? WHO IS GOING TO PAY THE SETTLEMENT COST -- TTPI, EPA?

23. WHO IS GOING TO FINISH THE PROJECT -- NEW CONTRACTOR, PWD?

24. IN A MEMORANDUM TO THE HIGH COMMISSIONER DATED 5/15/74 (STAFF REPORT P. 143) FROM WHEELER, DIRECTOR OF PWD, THE DESIGN OF THE PROJECT IS GOING TO BE CHANGED. HAS THE DESIGN BEEN CHANGED?

25. IN THIS SAME MEMORANDUM, THE BASIC INEPTNESS ON THE PART OF THE CONTRACTOR WAS NOTED. WHAT INEPTNESS IS BEING REFERRED TO?

26. IN THE SANITATION SECTION OF THE JOINT STATEMENT IT IS NOTED THAT HANIL HAD NO LINE OF CREDIT WITH EQUIPMENT UNCLASSIFIED

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MANUFACTURERS. DID HANIL APPLY FOR SUCH CREDIT AND WAS REFUSED? IF SO, WHAT WAS THE REASON?

27. WHY WAS HANIL AWARDED A CONTRACT TO BUILD THE PONAPE HOSPITAL FOUR DAYS AFTER CANCELLING HANIL'S CONTRACT ON THE EBEYE SEWERAGE TREATMENT PLANT?

28. WAS AN EVALUATION MADE OF HANIL PRIOR TO THE AWARD OF THE PONAPE HOSPITAL CONTRACT?

29. WHO MADE THE EVALUATION AND WHAT WAS THE RESULT?

30. DID HANIL'S PERFORMANCE IMPROVE IN FOUR DAYS?

31. WHY DID THE TTPI ADMINISTER THE CONTRACT INSTEAD OF THE O.I.C.C., WHO WAS ADMINISTERING OTHER HANIL CONTRACTS IN THE DISTRICT?

32. WHO MADE THE DECISION TO AWARD THE CONTRACT TO HANIL -- HIGH COMMISSIONER, DPW, DISTADS?

33. DID ANYONE OBJECT TO THE AWARD OF THE CONTRACT TO HANIL -- HIGH COMMISSIONER, DPW, DISTADS, OTHER CONTRACTORS? WHAT WAS THE OBJECTION?

34. WHAT HAPPENED SINCE THE AWARD OF THE PONAPE HOSPITAL CONTRACT IN JUNE OF 1974 TO REQUIRE PLACING HANIL ON THE "NOT QUALIFIED" CONTRACTORS LIST IN AUGUST OF 1974?

35. DID ANY THOUGHT GO INTO DISQUALIFYING HANIL FOR TTPI CONTRACTS?

36. WERE YOU FINALLY TAKING THE O.I.C.C.'S ADVICE BY NOT AWARDED FURTHER CONTRACTS AS A "LEVER" TO FORCE PERFORMANCE?

37. WHO MADE THE DECISION TO DISQUALIFY HANIL FROM FURTHER CONTRACTS IN TTPI AND HOW LONG WAS THIS DECISION BEING CONSIDERED?

38. WHAT WAS THE REASON FOR DISQUALIFYING HANIL -- PAST PERFORMANCE, QUALITY OF WORK, FINANCIAL STABILITY?

39. WAS THIS ACTION COORDINATED WITH OTHER -- O.I.C.C.,
CORPS, HIGH COMMISSIONER, DPW, DISTADS?
40. WERE THERE ANY OBJECTIONS TO DISQUALIFYING HANIL?
WHO OBJECTED AND FOR WHAT REASON?
41. WHAT EFFECT WAS THIS DISQUALIFICATION SUPPOSED TO HAVE
ON HANIL AND WHAT EFFECT HAS IT HAD?
42. IN THE JOINT STATEMENT OF MESSRS. HUGHES AND
JOHNSTON THEY NOTED THE AWARDS OF ANOTHER CONTRACT TO
HANIL ON FEBRUARY 6, 1975, BY THE CORPS OF ENGINEERS.
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WHY?

43. IS BEING LOW BIDDER THE ONLY CRITERIA FOR GETTING A
CONTRACT IN THE TTPI?
44. COULD TTPI HAVE PREVENTED THE AWARD OF THE CONTRACT
BY THE CORPS? IF IT COULD, WHY WASN'T IT, SINCE HANIL IS
NO LONGER QUALIFIED TO BID ON TTPI CONTRACTS?

OPERATION AND MAINTENANCE

1. AT THE PRESENT TIME, THE DISTRICT ADMINISTRATORS, IN
ADDITION TO OPERATION AND MAINTENANCE, ARE CARRYING OUT
CONSIDERABLE AMOUNTS OF NEW CONSTRUCTION. IT APPEARS THAT
THEY AVAILABLE TRAINED MANPOWER AND EQUIPMENT IS
INADEQUATE TO PERFORM BOTH FUNCTIONS. DO YOU BELIEVE THAT
IT WOULD BE HELPFUL TO RELIEVE THE DISTRICTS OF CON-
STRUCTION RESPONSIBILITIES SO THAT THEY COULD CONCENTRATE
UPON A MAINTENANCE PROGRAM AND OPERATIONAL TRAINING?

2. WOULD THE DISTRICT ADMINISTRATORS COMMENT UPON THE PROS
AND CONS OF USING SURPLUS MILITARY EQUIPMENT IN THE OPERA-
TIONS AND MAINTENANCE PROGRAM?

3. WHO IS RESPONSIBLE FOR TRAINING DISTRICT PWD PERSONNEL
ON THE OPERATION AND MAINTENANCE OF A COMPLETED PROJECT?

4. THE COMMITTEE STAFF REPORT INCLUDES A MEMORANDUM DATED
10/8/74 (PAGE 80) FROM THE PALAU DIRECTOR OF PUBLIC WORKS
ON OPERATING THE RECENTLY COMPLETED WATER SYSTEM. THE
PROJECT BECAME OPERATIONAL IN APRIL 1974, THE MEMORANDUM
DATED 6 MONTHS LATER STATES THAT THE PUBLIC WORKS DIRECTOR
OF PALAU DOESN'T KNOW HOW TO OPERATE THE SYSTEM.
WHAT ACTION IF ANY WAS TAKEN BY YOU OR YOUR DEPARTMENT
TO TRAIN THE PALAU PUBLIC WORKS DIRECTOR?

5. IS THE COMPANY THAT DESIGNED THE SYSTEM REVIEWING THE
SITUATION IN PALAU AND TRAINING PERSONNEL IN THE PROPER
OPERATION OF THE SYSTEM?

6. WHEN DID THE PWD OF TTPI FIRST LEARN THAT THE EBEYE
HOSPITAL AND PUBLIC SAFETY BUILDING ROOFS WERE CORRODING
AND BADLY NEEDED MAINTENANCE?

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7. WHY WERE THESE BUILDINGS DESIGNED WITH STEEL ROOFS
INSTEAD OF A CORROSIVE RESISTANT MATERIAL LIKE ALUMINUM?

8. WHO DESIGNED THESE ROOFS?

9. DIDN'T ANYONE QUESTION THE DESIGN OF THESE ROOFS? WHO
IS RESPONSIBLE FOR REVIEWING DESIGNS?

10. HAS A MAINTENANCE PROGRAM BEEN STARTED TO INSURE THAT
THE ROOFS DO NOT GET ANY WORSE? IF NOT, WHY NOT?

11. WHO IS RESPONSIBLE FOR MAINTAINING PROJECTS IN THE
TTPI?

12. IS ADEQUATE CONSIDERATION GIVEN IN THE PWD BUDGET TO
INSURE A SATISFACTORY MAINTENANCE PROGRAM THROUGHOUT
THE TTPI?

FOREIGN EXCESS PROPERTY

1. WHAT ACTION IS THE TTG GOING TO TAKE TO IMPROVE THE
MANAGEMENT OVER THE ACQUISITION AND DISPOSAL OF FOREIGN
EXCESS PROPERTY?

2. IN THE COMMITTEE STAFF REPORT (PAGE 252) SPECIFIC
REFERENCE IS MADE TO THE LACK OF ACCOUNTABILITY FOR AC-
QUIRED PROPERTY. CONSISTENT WITH THE NEED TO IMPLEMENT
A FINANCIAL MANAGEMENT SYSTEM THE COMMITTEE WOULD LIKE TO
KNOW WHAT ACTIONS WILL BE TAKEN BY THE TTG TO IMPLEMENT
A PROPERTY MANAGEMENT SYSTEM?

3. IN THE STATEMENT OF SPECIAL AGENT DONALD E. SKETO
FROM THE DEPARTMENT OF THE ARMY REFERENCE WAS MADE TO
'CANNIBALIZED" PROPERTY. WHAT EFFORTS ARE BEING MADE TO
ACCOUNT FOR THIS PROPERTY AFTER IT HAS BEEN REMOVED
FROM THE MAJOR COMPONENT?

4. HAS THE TTG EVER REVIEWED OR AUDITED THE TTPI/LNO
OKINAWA OPERATION SINCE ITS INCEPTION IN 1969? DOES THE
TTG INTEND TO DO SO IN THE NEAR FUTURE?

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5. IN THE JOINT STATEMENT, REFERENCE WAS MADE TO THE U.S.
ARMY USING IMPROPER TAC CODES FOR TRANSPORTATION OF
TTPI EXCESS PROPERTY. THE INVESTIGATION MADE BY THE ARMY
(SEE SKETO STATEMENT) DISCLOSED THAT THE PLAN TO USE
NON-REIMBURSABLE TAC CODES WAS CARRIED OUT BY ROBERT
QUIGLEY, TTPI LIAISON OFFICER AND ROBERT P. O'KEEFE,

U.S. ARMY. DOES THE TTG HAVE ANY COMMENT ON THE
APPARENT DISCREPENCY?

6. REFERENCE IS MADE IN THE COMMITTEE STAFF REPORT
(PAGE 264) TO IMPROPER ACTIONS ON THE PART OF MR. QUIGLEY
IN FREEZING PROPERTY FOR TTPI IN VIOLATION OF THE
DESIGNATED PRIORITY SYSTEM. DID THE TTG HAVE KNOWLEDGE
OF SUCH ACTIVITIES OR HAVE SUCH ACTIVITIES BEEN REPORTED
TO THE DEPARTMENT?

SIGNED HICOM. ACTING DOTA RICE SENDS. KISSINGER

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Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JAN 2003 by hagers>; APPROVED <02 MAR 2004 by hartledg>
Review Markings:

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US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: data_error
TAGS: PGOV, TQ, US
To: HICOMTERPACIS SAIPAN MARIANA A ISLANDS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006